



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 3, 2000

H.R. 3998 **Veterans' Special Monthly Compensation Gender Equity Act**

As introduced on March 16, 2000

H.R. 3998 would provide additional disability compensation to veterans who suffer a service-connected loss of one or both breasts due to a mastectomy. CBO estimates that enacting this bill would raise spending for disability compensation by less than \$500,000 in 2001, and by about \$5 million over the 2001-2010 period. Because this bill would affect direct spending, pay-as-you-go procedures would apply. H.R. 3998 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on the budgets of state, local, or tribal governments.

Under current law, veterans who lose certain body parts or sensory or vocal capabilities because of a service-connected condition are entitled to special monthly compensation of \$76 a month in 2000 for each eligible impairment. (Current law does not provide an automatic annual cost-of-living adjustment. However, one is usually provided in an act each year, and current law calls for CBO to assume an adjustment in the baseline. Consequently, CBO assumes an annual adjustment for purposes of this estimate.) H.R. 3998 would authorize these special payments for veterans who have lost one or both breasts due to a radical or modified radical mastectomy that is related to a service-connected condition.

CBO estimates that about 350 veterans are currently receiving disability payments for these types of mastectomies, and based on data from the Department of Veterans Affairs, about 35 new beneficiaries are added every year. Over the 2001-2004 period, the new payments would cost less than \$500,000 annually. From 2005 through 2010, annual spending would be over \$500,000 but less than \$1 million.

The CBO staff contact is Evan Christman. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.